VZCZCXRO4021 PP RUEHLMC DE RUEHLP #3245/01 3351406 ZNY CCCCC ZZH P 011406Z DEC 06 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 1505 INFO RUEHAC/AMEMBASSY ASUNCION 6343 RUEHBO/AMEMBASSY BOGOTA 3667 RUEHBR/AMEMBASSY BRASILIA 7530 RUEHBU/AMEMBASSY BUENOS AIRES 4787 RUEHCV/AMEMBASSY CARACAS 2039 RUEHPE/AMEMBASSY LIMA 2111 RUEHMD/AMEMBASSY MADRID 3204 RUEHME/AMEMBASSY MEXICO 1935 RUEHMN/AMEMBASSY MONTEVIDEO 4237 RUEHQT/AMEMBASSY QUITO 4676 RUEHSG/AMEMBASSY SANTIAGO 9261 RUEHRI/AMCONSUL RIO DE JANEIRO 0907 RUEHSO/AMCONSUL SAO PAULO 2074 RUEHBS/USEU BRUSSELS RUEHC/DEPT OF LABOR WASHINGTON DC RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 03 LA PAZ 003245

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E.O. 12958: DECL: 11/30/2016 TAGS: <u>ECON PGOV PREL PHUM BL</u>

SUBJECT: SENATE MEETS IN DARK OF NIGHT

REF: LA PAZ 3204

Classified By: Ambassador Philip S. Goldberg for reasons 1.4 (b) and (d).

SUMMARY

11. (C) Following a series of questionable but probably legal maneuvers to attain a quorum, the Bolivian senate met late in the night of November 28 and rapidly approved five new laws, including the controversial land reform bill (INRA) and a Bolivian-Venezuelan military agreement. Within hours of the senate's action, the president signed the bills into law just after midnight. While arguably legal, the GOB's aggressive manipulation of senate procedures is a worrying indication that it is not interested in working across party lines. The aftermath of the president's midnight maneuver is that the MAS has effectively gained control of the senate. MAS contacts indicate that they are preparing to move forward with an aggressive political agenda. While the national opposition continues to flail rhetorically, it shows little sign of posing a threat to current MAS hegemony, and President Morales popularity has soared in the most recent polling, probably reflecting the popular support for his renegotiation of hydrocarbons contracts. End summary.

A MEETING IN THE DARK OF NIGHT

12. (C) While President Morales and Vice President Garcia Linera were meeting publicly with the La Paz Civic Committee on the night of November 28 to discuss starting a dialogue, the senate was convened in a surprise session to pass the controversial land reform law (INRA) and a stalled military agreement with Venezuela. Despite weeks of intense MAS pressure, both bills had been held up by opposition

resistance. This ended when the GOB was able to convince two opposition party alternate senators, one from Podemos party and one from UN, to break the opposition-led senate boycott and thus create a quorum (reftel).

¶3. (C) The Bolivian senate is made up of twenty-seven senators, three from each department. Each senator is elected along with an alternate. Before November 28, the Podemos party held thirteen seats, MAS twelve, and UN and MNR one each. On November 28th, Beni Podemos Senator Hector Mario Vargas attended the session, but left before the voting started. While rumors and accusations of the opposition being bought off by the MAS party abound, none have yet been confirmed. Following Vargas' appearance at the senate on November 28th, Podemos and MAS contacts confirm that Beni Senator Hector Mario Vargas has abandoned Podemos and will join the MAS, thus appearing to give the MAS the senate majority.

MAS TRIUMPHANT, LOOKING AHEAD

14. (C) MAS party strategist and Santa Cruz Senator Guido Guardia'a advisor Jose Arraya was jubilant when he spoke with Emboff. "With Vargas we have the majority," he said, "now we just need two more to take absolute control of the senate. We are going to neutralize Cochabamba Podemos Senator Tito Hoz de Villa (by bringing up corruption charges) and already have a deal with his alternate senator. I'm working on cutting deals with either the UN or MNR for their votes." When asked about the constituent assembly, Arraya replied:

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"if we don't get the two-thirds in the final vote we'll just go with a simple majority". This was followed by a string of obscenities in which he expressed his desire to "go after" the CAO (Eastern Agricultural Chamber), the CAINCO (Santa Cruz Business Federation), and opponents in the eastern departments.

THE OPPOSITION FLAILS AND WAILS

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- 15. (C) Podemos alternate Senator Rene Zamora from Potosi told Emboff that in recent days he had been approached by the MAS to break ranks and attend the senate session. Zamora said this was not the first time he had been approached by the MAS, reporting that as in other instances, he replied that he "is not for sale." The senator argued that the MAS' approach on November 28th "demonstrates that the GOB is not interested in building consensus or even having any dialogue with the opposition." Zamora told Emboff he fears that now that the MAS controls the senate it will pursue criminal charges against four of Bolivia's ex-presidents (Rodriguez, Mesa, Sanchez de Lozada, and Paz). With both houses under MAS control Zamora claimed, the legislature could radicalize considerably -- he held out the prospect of changes in coca jurisprudence as an obvious area for MAS creativity. Zamora was pessimistic about the situation in Sucre, "they have railroaded the senate, next is the Constituent Assembly."
- 16. (C) Podemos' Chief of Staff for party leader Jorge "Tuto" Quiroga, Gustavo Alliaga, told Emboff that Podemos had heard rumors of pending changes in allegiance as early as last week but simply "didn't want to believe it." Alliaga claims that Pando alternate Senator Fermin Heredia Guzman will be named Bolivian consul general in Sao Paulo as his reward for joining the MAS. (Note: The new Brazilian Ambassador told Ambassador Goldberg on November 30 that one of the alternates, a long time resident of Brazil, was a "shady character" who was almost certainly the recipient of money or favors in return for his actions. End Note) Alliaga said the mood at Podemos party headquarters is somber. At this point "we are even resigned to losing in the

Constituent Assembly. Bolivia will end up with a one hundred percent MAS constitution."

.. BUT CAN IT GET ITS ACT TOGETHER?

- 17. (C) In a meeting with Emboff, Senate Vice President Jose Villavicencio (UN) said he felt like he had been "sucker punched" when he found out his second had broken ranks. The senator stated that while the MAS did not follow Senate protocol in the way it convened the secret session, it was not illegal. After a day of reflection, Villavicencio said he was trying to look on the bright side of things, which was that the GOB had taken off its mask and exposed its undemocratic nature. President Morales' actions were helping to unify the previously fractured opposition parties. The senator commented that he met with UN party President Samuel Medina on November 29 and that the two agreed there were three choices at this juncture: submit, flee the country, or fight for a democratic state. Villavicencio then announced that "the UN party has chosen to fight. The battlefield will be the constituent assembly."
- 18. (C) Villavicencio explained that measures the UN will take will include expanding the UN hunger strike, supporting the planned December 1 twenty-four hour strike in the eastern departments, and continuing to boycott the senate. Waxing dramatic, the senator went on to say, "we have to stop the

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domino effect of Venezuela, Cuba, and now Ecuador. The department of Pando is willing to go to war to not let Bolivia become communist. We do not want to separate, rather, we are prepared to defend the whole of the country to maintain a unified and democratic Bolivia. Don't let the momentary tranquillity in La Paz fool you, outside of the capital the people are restless."

COMMENT

19. (C) Perhaps no subject in the conservative, agricultural Bolivian lowlands is so neuralgic as the ownership of land, and until this turn of events, it appeared that the opposition had the government stalemated in the senate, which it controlled until November 28th. Opposition leaders appear to have seriously miscalculated the depth of the commitment of their team, and underestimated the government's understanding of Bolivia's parliamentary rules of order. (And just plain willingness to use all the tools at its disposal to get the requisite number of senators to switch parties.) The MAS is emboldened by this victory, and by recent poll results that show its popularity surging with the hydrocarbons renegotiation. With the finger pointing in the opposition continuing, Podemos in particular appears to have been dealt a body blow, although Podemos leader Tuto Quiroga continues to hold on in his position for now. The political struggle will now move to the constituent assembly, and the fear and rage of the opposition is increasingly palpable. Senate Vice President Jose Villavicencio asked Emboff to pass on the following message: "we are ready to defend ourselves." The question is whether the opposition can put together a political alliance that can successfully do just that. End Comment. URS